

Message Text

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60
ACTION ARA-20

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SPC-03 SS-20 USIA-15 OMB-01 DRC-01 EB-11 /129 W
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C O N F I D E N T I A L PANAMA 1545

EO 11652: GDS
TAGS: PFOR PN
SUBJ: PRIVATE SECTOR - GOP TRUCE

REF: PANAMA 0342

SUMMARY. THE GOP AND ITS OPPONENTS IN THE PRIVATE SECTOR APPEAR TO HAVE DECIDED TO END AT LEAST TEMPARILY, THE CONFLICT WHICH ERUPTED BETWEEN THEM OVER THE ENACTMENT OF NEW HOUSING LAWS LAST OCTOBER. THE TRUCE RESULTED FROM COMPROMISE BY BOTH SIDES AND THE INITIATIVE OF THE GOP, WORKING THROUGH ITS SUPPORTERS IN THE PRIVATE SECTOR, TO IMPROVE GOP-PRIVATE SECTOR RELATIONS. THE LEGISLATIVE COUNCIL APPROVED CHANGES IN THE HOUSING LAWS ON MARCH 12 AND THE GOP'S OPPONENTS IN THE PRIVATE SECTOR HAVE DISCLOSED PLANS TO SUPPORT THE GOP'S TREATY POSITION. END SUMMARY.

1. IN AN INITIATIVE ENDORSED BY THE FOREIGN MINISTER, THE NATIONAL COUNCIL OF PRIVATE ENTERPRISE (CONEP) IS PREPARING TO SEND TEAMS OF CONEP MEMBERS TO THE UNITED STATES IN AN EFFORT TO INCREASE AWARENESS OF AND SUPPORT FOR PANAMA'S POSITION ON THE CANAL ISSUE. THE CONEP TEAMS PLAN TO APPEAR BEFORE BUSINESS GROUPS, UNIVERSITY AUDIENCES, CIVIC AND PROFESSIONAL ASSOCIATIONS AND SIMILAR ORGANIZATIONS. WHILE TRAVELLING UNOFFICIALLY,
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THE CONEP PARTICIPANTS WILL BE BRIEFED ON THE CURRENT TREATY

NEGOTIATIONS BY THE FOREIGN MINISTRY AND WILL BE PROVIDED WITH BACKGROUND INFORMATION, COUNSEL AND TECHNICAL ASSITACNE.

2. ACCORDING TO A FEBRUARY 21 CONEP RESOLUTION - PUBLISHED MARCH 14 IN LOCAL PRESS - THE INITIATIVE COMES AS A RESULT OF THE ORGANIZATION'S CONVICION THAT PANAMA'S JUST ASPIRATIONS IN THE NEGOTIATIONS HAVE NOT ALWAYS BEEN CONVEYED "OBJECTIVELY AND DISPASSIONATELY" TO THE AMERICAN PEOPLE AND ITS BELIEF THAT THE PRIVATE AND INTELLECTUAL SECTORS OF U.S. OPINION WOULD BE MOST RECEPTIVE TO A DIRECT AND UNOFFICIAL APPAOACH FROM PRIVATE PANAMANIANS. THE RESOLUTION PLEDGES CONEP TO COORDINATE ITS EFFORTS WITH THE "PERTINENT ORGANS", I.E., THE GOP, AND CHARACTERIZES THE UNDERTAKING AS A "PATRIO-TIC MISSION."

3. BACKGROUND AND COMMENT: THE CONEP DECISION TO SUPPORT THE GOP'S TREATY PSITION AND TO SEND TEAMS TO THE U.S. PUBLICLY SIGNALS A TRUCE BETWEEN CONEP AND THE GOP. THE GOP-CONEP CONFLICT WHICH ERUPTED OVER THE PASSAGE OF NEW HOUSING LAWS IN OCTOBER 1973 FLARED UP AGAIN IN JANUARY (SEE PANAMA 0342) WITH CONEP AND NATIONAL CIVIC MOVEMENT LEADERS SEEKING TO BROADEN THEIR SUPPORT BY CHARGING THAT THE GOP WAS SACRIFICING PANAMA'S NATIONAL INTERESTS IN THE CANAL TREATY NEGOTIATIONS. THAT PARTICULAR GAMBIT HAD LITTLE IMPACT. HOWEVER, THE GOP, BY WORKING THROUGH THE GROUP OF PRO-GOP YOUNG OLIGARCH BUSINESSMEN, CONTINUED ITS EFFORTS TO CALM THE OPPOSITION. ON FEBRUARY 5 TWO LEADERS OF THE GROUP TOOK FIVE OF THE HARD-CORE LEADRERS OF THE OPPOSITION, INCLUDING ROBERTO EISEN-MAN, FREDERICO HUMBERT, JAIME ARIAS AND JUAN ARIAS, TO A MEETING WITH PRESIDENT LAKAS DURING WHICH THEY AGREED TO DROP THEIR TOTAL OPPOSITION TO THE GOP AND HENCEFORTH THEY WOULD OFFER CONSTRUCTIVE CRITICISM AND, ON SOME ISSUES, COLLABORATION. MEANWHILE NEGOTIATIONS WITHIN THE GOP AND WITH REPRESENTATIVES OF THE BUSINESS COMMUNITY CONTINUED. FINALLY, CHANGES WERE APPROVED BY THE NATIONAL LEGISLATIVE COUNCIL ON MARCH 12 (BUT HAVE NOT BEEN PUBLICLY ANNOUNCED) AND ON MARCH 14 THE CONEP RESOLUTION WHICH HAD BEEN PASSED THREE WEEKS EARLIER WAS RELEASED TO THE PRESS. AT A MINIMUM A TRUCE, AND POSSIBLY A REAPPROACHEMENT, HAS BEEN REACHED BY THE GOP AND CONEP.

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